



DEPARTMENT OF DEFENSE

GENERAL SERVICES ADMINISTRATION

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

[OMB Control No. 9000-0026]

[Docket 2012-0076; Sequence 18]

Federal Acquisition Regulation;

Submission for OMB Review; Change Order Accounting

AGENCIES: Department of Defense (DOD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

ACTION: Notice of request for public comments regarding an extension to an existing OMB clearance.

SUMMARY: Under the provisions of the Paperwork Reduction Act, the Regulatory Secretariat will be submitting to the Office of Management and Budget (OMB) a request to review and approve an extension of a previously approved information collection requirement concerning change order accounting. A notice was published in the Federal Register at 77 FR 51804, on August 27, 2012. One comment was received.

Public comments are particularly invited on: Whether this collection of information is necessary for the proper performance of functions of the Federal Acquisition

Regulations (FAR), and whether it will have practical utility; whether our estimate of the public burden of this collection of information is accurate, and based on valid assumptions and methodology; ways to enhance the quality, utility, and clarity of the information to be collected; and ways in which we can minimize the burden of the collection of information on those who are to respond, through the use of appropriate technological collection techniques or other forms of information technology.

DATES: Submit comments on or before **[Insert date 30 days after publication in the Federal Register.]**

ADDRESSES: Submit comments identified by **Information Collection 9000-0026, Change Order Accounting**, by any of the following methods:

- Regulations.gov: <http://www.regulations.gov>.

Submit comments via the Federal eRulemaking portal by inputting "Information Collection 9000-0026, Change Order Accounting" under the heading "Enter Keyword or ID" and selecting "Search". Select the link "Submit a Comment" that corresponds with "Information 9000-0026, Change Order Accounting". Follow the instructions provided at the "Submit a Comment" screen. Please include your name,

company name (if any), and "Information Collection 9000-0026, Change Order Accounting" on your attached document.

- Fax: 202-501-4067.
- Mail: General Services Administration, Regulatory Secretariat (MVCB), 1275 First Street, NE, Washington, DC 20417. ATTN: Hada Flowers/IC 9000-0026, Change Order Accounting.

Instructions: Please submit comments only and cite Information Collection 9000-0026, Change Order Accounting, in all correspondence related to this collection. All comments received will be posted without change to <http://www.regulations.gov>, including any personal and/or business confidential information provided.

FOR FURTHER INFORMATION CONTACT: Mr. Michael O. Jackson, Procurement Analyst, Office of Governmentwide Acquisition Policy, GSA, (202) 208-4949, or email at michaelo.jackson@gsa.gov.

SUPPLEMENTARY INFORMATION:

A. Purpose

FAR 43.205 allows a contracting officer, whenever the estimated cost of a change or series of related changes under a contract exceeds \$100,000, to assert the right in

the clause at FAR 52.243-6, Change Order Accounting, to require the contractor to maintain separate accounts for each change or series of related changes. Each account shall record all incurred segregable, direct costs (less allocable credits) of work, changed and unchanged, allocable to the change. These accounts are to be maintained until the parties agree to an equitable adjustment for the changes or until the matter is conclusively disposed of under the Disputes clause. This requirement is necessary in order to be able to account properly for costs associated with changes in supply and research and development contracts that are technically complex and incur numerous changes.

B. Discussion and Analysis

One respondent submitted public comments on the extension of the previously approved information collection. The analysis of the public comments is summarized as follows:

Comment: The respondent commented that the extension of the information collection would violate the fundamental purposes of the Paperwork Reduction Act because of the burden it puts on the entity submitting the information and the agency collecting the information. The respondent

opposes granting the extension of the information collection requirement.

Response: In accordance with the Paperwork Reduction Act (PRA), agencies can request an OMB approval of an existing information collection. The PRA requires that agencies use the Federal Register notice and comment process, to extend the OMB's approval, at least every three years. This extension, to a previously approved information collection, pertains to FAR 43.205 which allows a contracting officer, whenever the estimated cost of a change or series of related changes under a contract exceeds \$100,000, to assert the right in the clause at FAR 52.243-6, Change Order Accounting, to require the contractor to maintain separate accounts for each change or a series of related changes. Each account shall record all incurred segregable, direct costs (less allocable credits) of work, changed and unchanged, allocable to the change. These accounts are to be maintained until the parties agree to an equitable adjustment for the changes or until the matter is conclusively disposed of under the Disputes clause. Not granting this extension would consequently eliminate FAR clauses that provide a benefit to the public and the agency collecting the information.

Comment: The respondent commented that the agency did not accurately estimate the public burden challenging that the agency's methodology for calculating it is insufficient and inadequate and does not reflect the total burden. For this reason, the respondent provided that the agency should reassess the estimated total burden hours and revise the estimate upwards to be more accurate, as was done in FAR Case 2007-006. The same respondent also provided that the burden of compliance with the information collection requirement greatly exceeds the agency's estimate and outweighs any potential utility of the extension.

Response: Serious consideration is given, during the open comment period, to all comments received and adjustments are made to the paperwork burden estimate based on reasonable considerations provided by the public. This is evidenced, as the respondent notes, in FAR Case 2007-006 where an adjustment was made from the total preparation hours from three to 60. This change was made considering particularly the hours that would be required for review within the company, prior to release to the Government.

The burden is prepared taking into consideration the necessary criteria in OMB guidance for estimating the paperwork burden put on the entity submitting the information. For example, consideration is given to an

entity reviewing instructions; using technology to collect, process, and disclose information; adjusting existing practices to comply with requirements; searching data sources; completing and reviewing the response; and transmitting or disclosing information. The estimated burden hours for a collection are based on an average between the hours that a simple disclosure by a very small business might require and the much higher numbers that might be required for a very complex disclosure by a major corporation. Also, the estimated burden hours should only include projected hours for those actions which a company would not undertake in the normal course of business. Careful consideration went into assessing the burden for this collection and adjustments were made. However, at any point, members of the public may submit comments for further consideration, and are encouraged to provide data to support their request for an adjustment.

C. Annual Reporting Burden

The estimated number of respondents has increased from 200 to 10,636, based on information retrieved from the Federal Procurement Data System - Next Generation (FPDS-NG). For Fiscal Year 2012, 21,272 contractors were awarded modifications over \$100,000 on fixed-price type contracts,

which are applicable to this information collection. It is estimated that only about half of these contractors would be required to submit the information under this collection, or 10,636 because of the improvement in Generally Accepted Accounting Principles (GAAP), the use of FAR cost principles (FAR subpart 31.2), and expanded use of Cost Accounting Standards (CAS). These procedures, in most cases, enable the Government to account for the cost of changes without having to resort to change order accounting. Submission to the Government remains the same at 12, based on an estimated monthly submission, or 12 times a year. The estimated hours per response time of .5, or 30 minutes, is increased to 1 hour. This change is based on a reassessment of the estimated time required to gather and report the accounting information in the format specific to this information collection.

Respondents: 10,636.

Responses Per Respondent: 12.

Annual Responses: 127,632.

Hours Per Response: 1.

Total Burden Hours: 127,632.

OBTAINING COPIES OF PROPOSALS: Requesters may obtain a copy of the information collection documents from the General Services

Administration, Regulatory Secretariat (MVCB), 1275 First
Street, NE, Washington, DC 20417, telephone (202) 501-4755.
Please cite OMB Control No. 9000-0026, Change Order Accounting,
in all correspondence.

Dated: March 21, 2013

William Clark,
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Federal Acquisition Policy Division,
Office of Governmentwide Acquisition Policy,
Office of Acquisition Policy,
Office of Governmentwide Policy.

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